



HF 472 – School District Sharing Incentives (LSB 1830HV)
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Fiscal Note Version – New

Description

House File 472 creates new supplementary weighting provisions for shared optional functions. The Bill maintains and expands the current list of shared operational functions that are eligible for the supplementary weighting. School districts and area education agencies may receive additional funding for specified sharing provisions with another political subdivision with approval from the Department of Education. The supplementary weighting will be equivalent to 0.02 per student with a per shared function provision minimum amount of 10.0 and a maximum amount of 40.0 full-time equivalent students.

The new shared operational functions provision begins in FY 2015 and expires at the end of FY 2020. If approved, school districts will be eligible to receive supplementary weighting for each shared operational function for a maximum of five years (or until the end of FY 2020).

Background

Currently, school districts can receive supplementary weighting for shared operational functions including areas of superintendent management, business management, human resources, transportation, or operation and maintenance for at least 20.0% of the school year. The current supplementary weighting provision for shared operational functions specified a 20.0% annual phase-out of the supplementary weighting amount for each shared function (HF 472 does not include that provision). The additional sharing provision for supplementary weighting began in FY 2009 and is set to sunset at the end of FY 2014. The following table provides the supplementary weighting amounts and funding levels for the current shared operation function provision.

Legislative Services Agency: Supplementary Weighting and Funding Amounts								
District Shared Operational Functions								
	Weighting	Percentage Change in Weighting	State Aid Portion	Property Tax Portion	Total Funding	Percentage Change in Total Funding	Number of Districts	Percentage of Districts
FY 2014*	1,421.83	-37.1%	\$ 7,466,029	\$ 1,113,934	8,579,963	-37.1%	131	37.6%
FY 2013	2,259.06	-20.1%	11,862,324	1,772,170	13,634,494	-18.5%	167	48.0%
FY 2012	2,826.64	42.7%	14,551,541	2,175,908	16,727,449	42.6%	168	47.9%
FY 2011	1,980.94	90.7%	10,197,876	1,532,116	11,729,992	94.5%	130	36.2%
FY 2010	1,039.04	92.2%	5,244,035	787,880	6,031,915	99.6%	75	20.8%
FY 2009	540.49		2,622,998	399,753	3,022,751		43	11.9%

*Preliminary - estimates based on a 0.0% allowable growth rate for FY 2014.

Assumptions

Assumptions for the fiscal impact include:

- Allowable growth rates of 0.0% for all years. Any allowable growth rates above 0.0% will increase the overall cost of the proposal.

- Assumes that all districts that received shared operational function supplementary weighting between FY 2009 and FY 2014 will receive approval under the new provision for at least one shared operation function provision.
- Estimates for FY 2015 are based on the districts that had shared operational function supplementary weighting in FY 2014, with the weighting levels restored at the maximum values for FY 2015.
- Area education agencies (AEAs) are eligible to receive supplementary weighting as well; however, the Legislative Services Agency (LSA) does not provide an estimate for this provision.
- There is no phase-out for this supplementary weighting provision. The LSA estimate assumes that districts that participate in this provision will only receive supplementary weighting for a single function. However, districts are eligible to receive supplementary weighting for any of the functions noted in this Bill.

Fiscal Impact

The following table provides the estimated fiscal impact of HF 472 for FY 2015 and FY 2016. The supplementary weighting provision for shared operational functions is estimated to total 2,074.3 and generate approximately \$12.4 million (including \$10.9 million in State aid) above the current law school aid estimates for FY 2015. In FY 2016, enactment of HF 472 will increase the estimated supplementary weighting total by 2,636.1 and generate an additional \$15.8 million (\$13.8 million in State aid) above the current law estimates. The fiscal impact in FY 2017 through FY 2020 is estimated to be at least at the level of the FY 2016 amounts, and may exceed those amounts if additional shared operational function provisions are used by school districts and AEAs.

Shared Operational Functions Supplementary Weighting Impact				
	Supplementary Weighting Total	Estimated Total	State Aid Portion	Property Tax Portion
FY 2015	2,074.3	\$ 12,447,946	\$ 10,892,212	\$ 1,555,734
FY 2016	2,636.1	15,819,116	13,842,056	1,977,060

Estimates will be at least the level of the FY 2016 amounts for FY 2017 - FY 2020.

Sources

Iowa Department of Management, School Aid file
 Iowa Department of Education, Shared Operational Functions, Certified Enrollment files
 LSA analysis and calculations

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
